

**DOCKET SECTION**

**BEFORE THE  
POSTAL RATE COMMISSION  
WASHINGTON, D.C. 20268-0001**

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POSTAL RATE AND FEE CHANGES, 1997

Docket No. R97-1

**RESPONSES AND OBJECTION OF  
NIAGARA TELEPHONE COMPANY WITNESS SYDNEY R. PETERSON  
TO INTERROGATORIES AND REQUESTS FOR DOCUMENTS OF THE  
UNITED STATES POSTAL SERVICE  
(FEBRUARY 10, 1998)**

Sydney R. Peterson, President, Niagara Telephone Company (Niagara), Intervenor,  
hereby responds to the United States Postal Service's January 27, 1998 Interrogatories and  
Requests for Production of Documents.

Respectfully submitted,  
NIAGARA TELEPHONE COMPANY

Hill & Welch  
Suite #113  
1330 New Hampshire Ave., N.W.  
Washington, D.C. 20036  
(202) 775-0070  
(202) 775-9026 (FAX)  
welchlaw@clark.net

  
Timothy E. Welch

Its Attorney

February 10, 1998

USPS/NTC-T1-1. On page 1, in paragraph 2 of your testimony, you describe an operational pattern for handling certain mail, whereby that mail is only handled in the local facility.

- a. To which facility does this portion of your testimony refer?
- b. Please specify the volume of mail that is handled as you describe at the facility you identify in subpart a of your response.
- c. Have you conducted any studies or research to determine whether this operational procedure is followed at facilities other than the one you describe in paragraph two of your testimony?
- d. If so, please describe your study methods, and provide any results of any such studies.
- e. Please state the time frames during which you conducted any such studies.

RESPONSE: Paragraph 2 of my testimony refers to the Post Offices in Niagara, WI (54151), and Wittenberg, WI (54499). I do not have a figure for the total volume of mail which is handled in the manner described in paragraph 2 of my testimony for these postal facilities. On February 10, 1998 Niagara deposited 1596 pieces of mail, mostly monthly telephone bills, with the Niagara Post Office for local delivery in Niagara; another 1605 pieces of mail were deposited with the Niagara Post Office for delivery to recipients outside of Niagara. In January 1998 Niagara's sister telephone company in Wittenberg deposited 1611 pieces of mail with the Wittenberg Post Office and approximately 65% (about 1050) of that mail is for local delivery in Wittenberg. Since 1990 I have personally visited approximately 150 post offices in Wisconsin, Michigan, Illinois, Iowa, Nebraska, Colorado, West Virginia, Virginia, and Washington, D.C. At these post offices I would ask the counter person to describe the mailing process for mail placed in the "local only" depository. With the exception of one post office, Neva-Deerbrook, WI, each post office keeps the "local only" mail on premises where it is placed in an on premises mail box or placed in a mail carriers bag for delivery. I can only speculate that the Neva Deerbrook post office, because the postmaster there told me that she did not want to "monkey" with local mail, has unilaterally made the decision that it does not desire to provide postal services in the same manner as every single other post office I visited.

USPS/NTC-T1-2. At page 1, paragraph 4 of your testimony, you indicate that you have examined more than 100 post offices.

- a. Please list those offices, including their city, state, and ZIP code.
- b. Please indicate the dates on which you examined these offices. If you cannot specify an exact date, please provide an estimate.
- c. Please fully describe your "examination" of these offices.
- d. Have you observed the operations at any large mail processing facilities since your testimony in MC95-1? If so, please indicate which facilities, the date(s) of your visit, and the names and job titles of the Postal Service personnel with whom you spoke.

RESPONSE: Please refer to our Library Reference, LR-NTC-1, filed August 22, 1994, in Postal Rate and Fee Changes, 1994, Docket No. R94-1 for descriptions of over 100 post offices and please refer to my response to USPS/NTC-T1-1 for a description of my examinations and for the approximate dates of my visits. Since my testimony in MC95-1, I have visited large mail processing facilities in Kingsford, MI, Green Bay, WI, Colorado Springs, CO, and Washington, D.C. I do not have a record of the names of the persons with whom I spoke at these large facilities. Until I read the USPS's question, I did not know that the postal employees were required to provide me with their names upon request.

USPS/NTC-T1-3. At page 1, paragraph 4 of your testimony, you refer to “one of the Post Office’s interrogatory responses.” Please indicate a specification for this interrogatory response, including the Postal Rate Commission docket number of the proceeding in which it was answered.

RESPONSE: In NTC/USPS-T6-1 and NTC/USPS-T6-3 the Post Office acknowledged that Section 321.2 of the Postal Operations Manual requires all Post Offices to have “local only” depositories.

USPS/NTC-T1-4. At pages 1-2, paragraph 4 of your testimony, you refer to a Postal Transmittal Letter TL-12, 11-18-74, Issue 90. Please provide a copy of this document.

RESPONSE: Please refer to Niagara's October 20, 1997 Designation of Written Cross-Examination filed in this case, Docket R97-1, at NTC/USPS-T6-3, for a copy of this document.

USPS/NTC-T1-5. Is it your testimony that the Postal Rate Commission should adopt the two subclasses that you propose, Local Mail and Non-Local Mail, as alternatives to the current rate structure for First Class Mail?

- a. If your answer is other than an unqualified affirmative, please explain fully.
- b. If your response to the above question is affirmative, have you prepared Domestic Mail Schedule language for your two new subclasses of First Class Mail?

RESPONSE: My testimony is that the Postal Rate Commission and the Board of Governors should adopt two subclasses for First-Class mail, one sub-class being "local only" First-Class mail and the other subclass consisting of all other First-Class mail. Niagara is not proposing that the Postal Rate Commission and the Board of Governors adopt "alternative" rate structures as your question suggests. It is interesting that the USPS is attempting to confuse such an easily understandable concept, especially considering the fact that the USPS is already providing the "local only" service. Niagara is merely requesting that the USPS be required to charge a proper rate for a service which it already provides. "Local only" mail is the ultimate in presorted mail because it is deposited by the mailer with the delivering post office.

USPS/NTC-T1-6. Attachment A to your testimony depicts two pieces of mail which bear cancellation dates in 1946. Please indicate all the ways in which you understand the Postal Service's operational methods have changed since 1946.

RESPONSE: Niagara objects to this interrogatory as seeking irrelevant information not reasonably calculated to lead to relevant information. Witness Peterson's knowledge of "all the ways in which . . . the Postal Service's operational methods have changed since 1946" is not an issue in this case. The issues in this case revolve around whether the rates the Postal Service charges for the services it provides are justifiable and authorized under the pertinent statutes, the issues do not relate to the breadth of Witness Peterson's knowledge of Post Office history since 1946.

USPS/NTC-T1-7. What volume of mail would you estimate would qualify for your Local Mail subclass? Please provide all calculations you use in arriving at your estimate.

RESPONSE: The USPS is the party in control of the mail flows and it is the USPS which is particularly well positioned to determine the precise figures regarding the mail volume which is deposited in "local only" depositories. Generally stated, Niagara believes that "local only" mail volume is significant, see USPS/NTC-T1-1.

USPS/NTC-T1-8. Please indicate your estimate of the revenue consequences for the Postal Service if the Postal Rate Commission were to recommend, and the Postal Service Governors were to approve, the classification structure that you advocate.

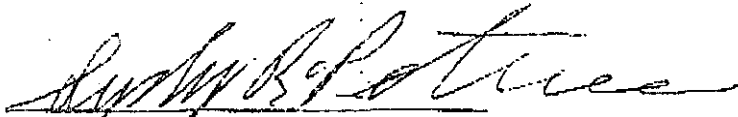
RESPONSE: The revenue consequences should be neutral because a “local only” rate is merely reflecting the increase efficiency and productivity associated with that service.

USPS/NTC-T1-9. Is it your testimony that mail deposited in “local only” mail slots are always simply placed “in a recipient’s post box or in a mail carrier’s bag,” as you describe at page 3, paragraph 7 of your testimony? Please state all bases for your response.

RESPONSE: Please refer to the response to USPS/NTC-T1-1.

## CERTIFICATION


I hereby certify under penalty of perjury that I have read the foregoing RESPONSES AND OBJECTION OF NIAGARA TELEPHONE COMPANY WITNESS SYDNEY R. PETERSON TO INTERROGATORIES AND REQUESTS FOR DOCUMENTS OF THE UNITED STATES POSTAL SERVICE and that the statements made therein, except for those about which public notice may be taken, are true and correct to the best of my knowledge, information, and belief.

  
Sydney R. Peterson

February 10, 1998

# CERTIFICATE OF SERVICE

I hereby certify that I have this 10th day of February 1998 supervised the service of the foregoing document upon all parties of record as required by Section 12 of the Rules of Practice.

  
Timothy E. Welch